



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: April 21, 2009

TO: Mayor and Councilmembers

FROM: Recreation Division, Parks and Recreation Department

SUBJECT: Lease Agreement For Primo Boxing Club/Say Yes To Kids

RECOMMENDATION:

That Council authorize the Parks and Recreation Director to execute a five-year lease agreement for the Haley Street Youth Sports Center with Primo Boxing Club/Say Yes to Kids.

DISCUSSION:

The Parks and Recreation Department administers lease agreements for facility space at below market rates. The agreements are with local non-profit social service providers at Community Centers and at the Youth Sports Center at 701 E. Haley Street.

Primo Boxing Club has occupied the Youth Sports Center since 1993. In November 2003, the City and Primo Boxing Club entered into a 5-year lease of the Youth Sports Center. The proposed lease, with a 5-year term, will expire in 2014.

Primo Boxing Club continues to provide a valuable service to the community of Santa Barbara through programming which engages youth at risk of becoming affiliated with or affected by youth violence, and is recognized in the community as an effective deterrent to youth violence. Long a partner with the City of Santa Barbara and the Santa Barbara Housing Authority, Primo Boxing has benefited from City, SBHA, CDBG, and Human Services funding for programs and facility improvements.

Over the course of the last 5-year lease term, the rental rate for the premises was increased from \$5,000 to \$19,464 per year to match the square footage rental rate charged to non-profit tenants at other City facilities. Over time, it became clear that Primo Boxing, a small grassroots non-profit organization, was unable to maintain the rental payments under this lease. The lease term ended with Primo Boxing \$33,760 in arrears on rental payments and penalties.

In recognition of the service that Primo Boxing has provided and continues to provide the community, especially during a time when youth violence is on the rise, the new lease grants a one-time waiver of the past-due rent and penalties. Additionally, the \$10,000 annual rent proposed in the new lease agreement is lower than the rent charged to non-profit tenants in other City facilities due to the below average physical condition of the Youth Sports Center compared to other City facilities leased to non-profits.

The waiver of arrears and reduction in annual rent are intended to improve the financial viability of Primo Boxing Club. The new lease terms include specific expectations related to steps Primo Boxing will take to strengthen their board of directors, increase fundraising, and improve financial management in order to meet all financial and performance obligations of this lease.

BUDGET/FINANCIAL INFORMATION:

Primo Boxing Club will pay an annual rent of \$10,000 paid on a quarterly basis on the 15th day of July, October, January, and April. Following the commencement of this lease, the first installment of rent shall be due and payable on or before July 15, 2009.

PREPARED BY: Antonio Velasquez, Community Services Supervisor

SUBMITTED BY: Nancy L. Rapp, Parks and Recreation Director

APPROVED BY: City Administrator's Office